



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

**Financial Audit**

Report Number:  
39-100-01

*Including the Provisions of the Single Audit Act  
October 1, 1999 through September 30, 2001*

**Department of Community Health (DCH)**

Released:  
June 2002

A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with State compliance requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.

**Financial Schedules and Financial Statements:**

**Auditor's Reports Issued**

We issued an unqualified opinion on DCH's General Fund financial schedules and on the Hospital Patients' Trust Fund financial statements.

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**Internal Control Over Financial Reporting**

We identified 2 material weaknesses in DCH's internal control over financial reporting (Findings 1 and 2). We also identified other reportable conditions (Findings 3 through 8).

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**Noncompliance Material to the Financial Schedules or Financial Statements**

We did not identify any instances of noncompliance applicable to the financial schedules or financial statements that are required to be reported under *Government Auditing Standards*.

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**Federal Awards:**

**Auditor's Reports Issued on Compliance**

We audited 5 programs as major programs and issued 5 unqualified opinions. The federal programs audited as major programs are identified on the back of this summary.

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**Internal Control Over Major Programs**

We did not identify any material weaknesses in internal control over major programs. However, we did identify reportable conditions (Findings 9 through 12).

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**Required Reporting of Noncompliance**

We identified instances of noncompliance that are required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Findings 9 through 12).

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***Systems of Accounting and Internal Control:***

We determined that DCH was in substantial compliance with Sections

18.1483 - 18.1487 of the *Michigan Compiled Laws*.

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We audited the following programs as major programs:

<b><u>CFDA Number</u></b>	<b><u>Program Title</u></b>	<b><u>Compliance Opinion</u></b>
93.767	State Children's Insurance Program (CHIP)	Unqualified
93.778	Medicaid Cluster	Unqualified
93.917	HIV Care Formula Grants	Unqualified
93.940	HIV Prevention Activities - Health Department Based	Unqualified
93.994	Maternal and Child Health Services Block Grant to the States	Unqualified

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: [www.state.mi.us/audgen/](http://www.state.mi.us/audgen/)



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